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UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

In re
i2a Technologies, Inc.,

Debtor.

Case No. 14-44239 CN

Chapter 11

**STATUS CONFERENCE
STATEMENT**

Date: February 12, 2015

Time: 10:30 a.m.

Ctrm: 215

U.S. Bankruptcy Court
1300 Clay Street
Oakland, California

i2a Technologies, Inc., the debtor and debtor-in-possession in the above-captioned Chapter 11 case (the "Debtor"), submits the following status conference statement in connection with the continued status conference set for February 12, 2015:

I. DEBTOR'S OBJECTIVES

As was set forth in the Debtor's initial status conference statement, the Debtor's primary objective in its Chapter 11 case is to preserve the value of the business for the benefit of its creditors. To that end, the Debtor has been actively pursuing a strategic business partner, a sale, an equity infusion or bridge financing to facilitate either an equity investment or sale of the business as a going concern. The Debtor has been in active discussions but to date, there is nothing concrete

1 which the Debtor can present to the court or the creditors. The Debtor has been keeping both
2 Heritage Bank and Wells Fargo Bank apprised of its efforts in terms of finding a solution to its
3 current predicament.

4 **II. LISTING FOR SALE OF THE PRINCIPLES REAL PROPERTY**

5 Victor Batinovich and his wife Anne own a single family residence located in Los Altos,
6 California. The real property had been rented out but the Batinovich's have negotiated a move out
7 by the tenant and have agreed to list the Los Altos property for sale. The Los Altos real property is
8 located in a desirable area and it is hoped that it can be sold quickly. Should the Los Altos
9 property sell, such a sale would result in a substantial reduction in the claim of Heritage Bank
10 which would potentially make it easier for the Debtor to finalize either an equity infusion or some
11 form of bridge financing.

12 **III. RELIEF FROM STAY ISSUES**

13 Dolce Farr Niente, LLC, the Debtor's landlord, and Heritage Bank of Commerce, the
14 Debtor's largest creditor, had both been granted relief from stay. The Debtor hopes to be able to
15 work something out with Dolce Farr Niente, LLC to buy some additional time to attempt to
16 finalize a transaction to bring new money into the Debtor. The Debtor does have a drop dead date
17 with Heritage Bank of March 1, 2015. However, Heritage Bank also has relief from stay which
18 would allow it to proceed with a commercial code sale of the Debtor's equipment at an earlier date
19 reason of fact that the landlord was granted relief from stay. The landlord has now served a Three
20 Day Notice to Quit and it is anticipated that the landlord will thereafter file an unlawful detainer
21 action and will proceed ultimately with an eviction of the Debtor unless some deal can be reached
22 between the Debtor and the landlord.

23 **IV. STATUS OF FILING OF A PLAN**

24 Absent the Debtor being able to promptly finalize a deal for the infusion of new money
25 into the estate and working out a deal with the landlord, the chances of the Debtor being able to
26 file a feasible plan are slim.

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V. CASH COLLATERAL ISSUES

The Debtor, pursuant to a Court approved Second Stipulation for Use of Cash Collateral with Heritage Bank and Wells Fargo Bank, does have the use of cash collateral through the end of February 2015.

VI. DEBTOR'S RECOMMENDATIONS

The Debtor asserts that given the pending drop dead dates with Heritage Bank and the situation involving the landlord, it would make sense to set a continued status conference towards the end of March. By that point in time, it should be pretty clear as to what direction the Debtor's case will take.

Dated: February 6, 2015

KORNFELD, NYBERG, BENDES & KUHNER, P.C.

By: /s/ Eric A. Nyberg
(Bar No. 131105)
Attorneys for Debtor i2a Technologies, Inc.

DECLARATION OF SERVICE

I, the undersigned, declare:

I am employed in the City of Oakland, County of Alameda, California. I am over the age of 18 years and not a party to this action. My business address is 1970 Broadway, Suite 225, Oakland, California 94612.

I am readily familiar with the business practices of my employer, Kornfield, Nyberg, Bendes & Kuhner, P.C., for the collection and processing of correspondence for mailing with the United States Postal Service and that correspondence is deposited with the United States Postal Service that same day in the ordinary course of business.

On February 6, 2015, I served the following document(s):

STATUS CONFERENCE STATEMENT

by placing copies of said document(s) in sealed envelope(s) and served in the manner or manners described below addressed as follows:

U.S. Trustee
1301 Clay Street, Suite 690N
Oakland, CA 94612-5202

Stephen J. Kottmeier
Brent Meyer/Jay Ross
Hopkins & Carley
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Steven B. Mains
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Marc Andrews
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Wells Fargo & Company
21680 Gateway Center Drive, Ste. 280
Diamond Bar, CA 91765

Joseph A. Lepera
Lepera & Associates, PC
601 Montgomery St. #665
San Francisco, CA 94111

I placed such envelope(s) for collection and mailing at my employer's office following ordinary business practices, addressed to the addressee(s) designated.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 6th day of February, 2015 at Oakland, California.

/s/ Gail A. Michael